



State of Utah

DEPARTMENT OF COMMERCE
Committee of Consumer Services

Minutes of the Meeting of the Committee of Consumer Services held at the Heber M Wells Building, Room #210, 160 East 300 South, Salt Lake City, Utah, on Thursday, July 10, 2008

Members of the Committee in Attendance:

Dee Jay Hammon	Kelly Casaday	Betsy Wolf
Andrew Riggle	Franz Amussen	

Staff in Attendance:

Michele Beck	Chris Keyser	Dan Gimble
Eric Orton	Cheryl Murray	
Ronnie Drake		

Members of the Public in Attendance:

Ken Smith	Frank Christianson	Bonnie Christiansen
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A powerpoint presentation accompanied this meeting and is hereby incorporated into the minutes by reference.

1 Welcome and Business

Dee Jay Hammon called the meeting to order at 9:35 a.m. and welcomed all those in attendance. The next Committee Meeting is scheduled for Thursday, Sept. 11, 2008 at 9:30 a.m., Heber M. Wells Building, room #210. Robert McMullin was excused.

2 Minutes

Betsy Wolf made a motion to approve the June 12, 2008 Meeting Minutes with a correction made to item #5. Franz Amussen seconded the motion and it passed unanimously.

3 Public Comment

Ken Smith comments were put in abeyance until agenda item #5.

4. Case Updates

Michele Beck updated the Committee on the milestones and issues that are in progress and anticipated, which included:

- 1) The Governor has instituted a "Working 4 Utah" initiative, which is a 4/10 hour working week for state employees, will be in effect beginning Aug. 4, 2008.
- 2) The PSC issued its Order on the Questar Rate Case, which allowed a rate of equity (ROE) of 10% and revenue requirement of \$11.97M.
- 3) The DPU and Direct Communications, Cedar Valley LLC, have signed a stipulation in the recent rate case, which CCS staff supported since it provides the consumer

protections staff monitors for in these types of cases.

- 4) The Questar Gas Company (QGC) transponder investigation is going forward. Staff contributed to the definition of the scope of the investigation, will follow the investigation closely and will provide comment after the investigation is complete.
- 5) The Rocky Mountain Power (RMP) Transmission Certification of Convenience and Necessity is in progress, on which CCS staff will provide comment and follow closely;
- 6) Staff provided comments on the QGC Integrated Resource Plan (IRP). The PSC has not yet issued its order on updating the IRP guidelines for QGC.
- 7) Staff filed a position statement on the RMP resource acquisition of Chehalis.
- 8) The next RMP rate case is anticipated to be filed on July 19th, 2008, which CCS staff prepares to challenge. Staff provided an update on the status of consultant contracts relevant to that case.
- 9) The next QGC rate case is anticipated to be filed this fall and staff has begun analyzing what contracts will need to be updated to work that case.
- 10) Staff completed its evaluation of the RFP for a forecasting expert and will contact the top bidder to execute a contract.

5. Constituent Concerns

Ken Smith made a presentation urging the Committee to recommend that the Utah Public Service Commission reverse its decision to use the 801/385 overlay method and revert back to its April 2000 decision to use the split method. Frank Christiansen also voiced his concerns. Michele Beck provided a brief update on the status of the transition plans. The Committee will take the comments under advisement.

6. Questar Gas Company 2007 Rate Case

Eric Orton updated the Committee on the QGC rate case issues concerning cost of service and rate design. Staff's concerns regarding the cost of service study is that not all classes are included and the study was based solely on the newly proposed classes rather than existing classes. Staff also believes that some of the costs were allocated based on inappropriate factors, resulting in more costs being assigned to small consumers. Staff's concerns regarding rate design include: an unnecessary increase to the basic service fee, the manner in which the General Service class was proposed to be divided, declining block rates for the new commercial class, the appropriateness of an ongoing winter/summer differential and the extension charge for new customers.

5. Rocky Mountain Power (RMP) 2007 General Rate Case

Dan Gimble reviewed the primary cost of service and rate design issues presented at last month's meeting and provided additional information regarding Schedule 25 (mobile home parks) and Schedule 500 (new large loads).

6. Closed Session: Discussion of strategy in litigation pending before the Utah Public Service Commission: in Docket 07-035-93 (Rocky Mountain Power General Rate Case) and Docket 07-057-13 (Questar General Rate Case)

6.1 Andrew Riggle made a motion to go into closed session pursuant to Utah Code

Section 52-4-205 (1)(c). Kelly Casaday seconded the motion. It passed unanimously.

6.2 Franz Amussen motioned to go back into Opened Session, Betsy Wolf seconded the motion and it passed unanimously. The Committee was in closed session for approximately 59 minutes. No motion was made.

7. Presentation: Western Climate Initiative
Glade Sowards, Energy Program Coordinator from the Utah Department of Environmental Quality, presented an update on the efforts of the Western Climate Initiative as well as other initiatives.

8. Other Business/Adjourn
No other business was discussed.
Franz Amussen made a motion to adjourn; the meeting adjourned at 1:50 p.m.